

**IOWA RACING & GAMING COMMISSION
MINUTES
JUNE 12, 2014**

The Iowa Racing & Gaming Commission (IRGC) met on June 12, 2014 at Catfish Bend Casinos II, LLC d/b/a Catfish Bend Casino, Burlington, Iowa. Commission members present were Jeff Lamberti, Chair; Carl Heinrich, Vice Chair; and members Rich Arnold, Kris Kramer and Dolores Mertz.

Chair Lamberti called the meeting to order at 8:30 AM and requested a motion to approve the agenda. Commissioner Mertz moved to approve the agenda as presented. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on Rob Higgins, General Manager, who welcomed the Commission to Burlington. He stated Catfish Bend opened Fun City in 2005; then in 2006, Catfish received permission from the Commission to move operations to a land-based facility. Mr. Higgins noted the Commission at that time expressed concern about keeping a separation between the family entertainment complex and the gaming operation; and believes the property has done a good job of doing so. The land-based facility opened in 2007. Mr. Higgins advised the facility continues to upgrade the gaming floor; spent \$2.5 million upgrading the indoor water park; continues to partner with Spirit Hollow Golf Course; and has a great relationship with Keokuk, Fort Madison and Southeast Iowa Riverboat Commission, the non-profit sponsoring organization for the license. Mr. Higgins recognized State Senator Tom Courtney from Burlington, who was in attendance.

Chair Lamberti thanked Mr. Higgins for the hospitality extended to the Commission.

Chair Lamberti moved to the approval of the minutes from the April 3 and April 16-17 Commission meetings, which were previously distributed. Commissioner Kramer moved to approve the minutes as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Lamberti called on Brian Ohorilko, IRGC Administrator, for announcements. Mr. Ohorilko provided the following information on upcoming meetings:

- July 31, 2014 – Stoney Creek Inn & Conference Center, Johnston, IA (Submissions due by July 17, 2014)
- August 28, 2014 – Riverside Casino & Golf Resort, Riverside, IA (Submissions due by August 14, 2014)
- October 9, 2014 – Wild Rose Clinton, Clinton, IA (Submissions due by September 25, 2014)
- November 13, 2014 – Adventureland Inn, Altoona, IA (Submissions due by October 29, 2014)

Mr. Ohorilko recognized Erica Worrall, the Commission's Gaming Representative assigned to the facility. He also welcomed Senator Courtney, and thanked him for attending the meeting.

Chair Lamberti moved to the review of the Greyhound Escrow Audit. Jim Quilty, legal counsel for the Iowa Greyhound Association, was present to answer any questions. Mr. Ohorilko asked Mr. Quilty to provide a summary of how the audit was initiated.

Mr. Quilty stated the escrow fund was created as a result of an arbitration decision in 1995, which established funds to be used for purses at Bluffs Run. The fund has been maintained since that time. After the fund was in existence a few years, discussions were held surrounding how the funds were being used. At that time, the Commission decided to require an annual audit, which has been submitted every year since then. Mr. Quilty noted the only funds expended from the escrow account had to do with the maintenance of the web site, management fees, and accounting fees.

Hearing no comments or questions relating to the Greyhound Escrow Audit, Chair Lamberti called on Wes Ehrecke, President/Chief Executive Officer of the Iowa Gaming Association, who talked about the Women Leaders in Gaming Day conference. He advised the Association took a poll last year and found that women comprise 52% of the work force in Iowa casinos. At the executive level, 37% are female; and at the supervisor/manager level, 44% are women. The poll also showed there are many positions and advancement opportunities for women in the gaming industry. The Women Leaders in Gaming Day was created to advance women's awareness of the variety of careers available in the industry. Over 155 individuals attended the conference, which provided an opportunity to realize the networking opportunities, the work/life balance, and hear from some of the individuals in the Iowa gaming industry. Mr. Ehrecke noted there would be another conference next year.

Chair Lamberti moved to the contract approval portion of the agenda, and called on Isle of Capri, Marquette, Inc. d/b/a Lady Luck Casino Marquette (LLCM). Don Ostert, General Manager, presented the following contracts for Commission approval:

- Lithographics Communications, LLC – Direct Mail Vendor
- M&D, Inc. – Drain Pipe Replacement and Generator Silencer Replacement
- Windstar Lines – Line Run Transportation to Property
- Winona Controls, Inc. – Replacement and Maintenance of Chiller, Boiler and HVAC Systems

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by LLCM. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on Diamond Jo Worth, LLC d/b/a Diamond Jo Worth (DJW). Kim Pang, General Manager, presented the following contracts for Commission approval:

- Associated Computer Systems – Hardware and Software for Slot Floor Conversion

- Larson's Contracting – Snow Removal, Concrete Replacement, Structural Repairs to Casino and C-Store

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the contracts as submitted by DJW. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on Riverside Casino & Golf Resort, LLC d/b/a Riverside Casino & Golf Resort (RCGR). Dan Franz, General Manager, presented the following contracts for Commission approval:

- Link Strategies – Public Relations Services
- Seminole Energy Services, LLC - Master Natural Gas Sales Agreement

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Arnold moved to approve the contracts as submitted by RCGR. Commissioner Mertz seconded the motion, which carried unanimously.

Chair Lamberti called on Grand Falls Casino Resort, LLC d/b/a Grand Falls Casino Resort (GFCR). Joe Massa, Chief Operating Officer, presented the following contracts for Commission approval:

- Hander Plumbing – Golf Course Construction: Golf Maintenance Storage Building Plumbing and Utilities
- HCC Life Insurance Company – Benefit Plan: Premium Costs
- Marcus Lumber – Golf Course Construction: Golf Maintenance Storage Building
- Wellmark Blue Cross and Blue Shield – Benefit Plan: Administrator and Claim Costs

Mr. Massa noted the facility had corrected the amount on the Wellmark transaction from \$8.7 million to \$1.7 million.

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by GFCR. Commissioner Mertz seconded the motion, which carried unanimously.

Chair Lamberti called on SCE Partners, LLC d/b/a Hard Rock Casino Sioux City (Hard Rock). Curt Beason, legal counsel, presented the following contracts for Commission approval:

- Berg Company – Berg Liquor Control System
- Gametain Solutions – Accounting/Management System
- Reinhart Foodservice Co. – Food Supplier
- State Restaurant Equipment – Restaurant Supplies/Equipment

Chair Lamberti asked the scheduled opening date of the facility. Mr. Beason advised it is August 1st.

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Kramer moved to approve the contracts as submitted by Hard Rock. Commissioner Mertz seconded the motion, which carried unanimously.

Commissioner Heinrich asked how the project was coming along. Mr. Beason advised that everything is on schedule. Commissioner Heinrich stated he understood that carpeting and machines had been installed. Mr. Beason indicated that was correct, they are getting everything tuned up and ready to go. Commissioner Heinrich asked about the hotel. Mr. Beason indicated the hotel would open on time.

Chair Lamberti called on IOC Black Hawk County, Inc. d/b/a The Isle Casino Hotel Waterloo (IOCW). Stacy Hall, legal counsel, presented a contract with Halvorson Trane for a maintenance and inspection agreement for the HVAC system.

Hearing no comments or questions concerning the contract, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the contract as submitted by IOCW. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on Ameristar Casino Council Bluffs, Inc. d/b/a Ameristar Casino Council Bluffs (Ameristar). Monty Terhune, General Manager, presented the following contracts for Commission approval:

- Richard Dick – Offsite Warehouse Lease
- Sysco Lincoln, Inc. – Food Provider
- Hiland Dairy Foods Co. – Dairy Provider

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by Ameristar. Commissioner Mertz seconded the motion, which carried unanimously.

Chair Lamberti called on Rhythm City Casino, LLC d/b/a Rhythm City Casino (RCC). Mo Hyder, General Manager, presented the following contracts for Commission approval:

- Cunningham Group Architecture, Inc. – Architectural Design Services
- Kimberly Car City – Vehicles for Promotional Giveaway

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Arnold moved to approve the contracts as submitted by RCC. Commissioner Mertz seconded the motion, which carried unanimously.

Chair Lamberti called on Harvey's Iowa Management Company, Inc. d/b/a Harrah's Council Bluffs Casino & Hotel (Harrah's). Tina Eick, legal counsel, presented the following contracts for Commission approval:

- Forsyth Consulting, Inc. – Music for Casino and Hotel
- TriMark S S Kemp Co. – Multiple Purchased for Kitchen Equipment

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Kramer moved to approve the contracts as submitted by Harrah's. Commissioner Mertz seconded the motion, which carried unanimously.

Chair Lamberti called on Iowa West Racing Association d/b/a Horseshoe Casino/Bluffs Run Greyhound Park (HC/BRGP). Ms. Eick presented the following contracts for Commission approval:

- Forsyth Consulting, Inc. – Music for Casino
- TriMark S S Kemp Co. – Multiple Purchases for Kitchen Equipment

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the contracts as submitted by HC/BRGP. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on Dubuque Racing Association d/b/a Mystique Casino (DRA/Mystique). Jesús Avilés, General Manager, presented the following contracts for Commission approval:

- Aimbridge Hospitality, LLC – Hotel Management Company
- American Trust & Savings Bank – Loan for Acquisition of Hotel and Restaurant
- City of Dubuque – Assignment of Land Lease – Hotel and Restaurant
- Dubuque Casino, LLC – Asset Purchase Agreement
- Hilton Worldwide – Hilton Garden Inn Franchise Agreement

Chair Lamberti noted the contracts relate to the facility purchasing the hotel and restaurant. He requested some background information regarding the transaction, costs, terms, management agreement, etc.

Mr. Avilés advised that nine years ago a group of local investors built the hotel with the intent of eventually selling it to DRA/Mystique. He stated the parties have been in negotiations for the last three years, and have finally come to an agreement on price. The hotel, run by Hilton, has the highest occupancy rate in the area. Mr. Avilés stated DRA has purchased the franchise, and the hotel and restaurant associated with it; thus putting them in a better position to be an all-inclusive operation. This purchase coincides with the development of Schmitt Island. Mr. Avilés stated the transaction is valued at \$16 million; they made a 20% down payment and will make payments over 20 years. He advised DRA will keep the existing management company, Cambridge Corporation, which has done an excellent job over the years.

Hearing no further comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the contracts as submitted by DRA/Mystique. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Lamberti called on Prairie Meadows Racetrack & Casino, Inc. d/b/a Prairie Meadows Racetrack & Casino (PMR&C). Gary Palmer, General Manager, presented a contract with Neumann Brothers, Inc. to act as a general contractor.

Hearing no comments or questions concerning the contract, Chair Lamberti requested a motion. Commissioner Kramer moved to approve the contract as submitted by PMR&C. Commissioner Mertz seconded the motion, which carried unanimously.

Chair Lamberti moved to the Report on the Socioeconomic Impact of Gambling on Iowans pursuant to legislation. The study was completed by Strategic Economics Group from West Des Moines, Iowa; and Spectrum Gaming Group from Linwood, New Jersey. Mike Lipsman was present representing Strategic Economics Group; and Joseph Weinert, Executive Vice President, and Howard J. Kyle, Senior Public Policy Associate, were in attendance representing Spectrum Gaming Group. A copy of the power point presentation is attached to the minutes and is incorporated in its entirety by this reference.

Chair Lamberti called for any questions pertaining to the study. Hearing none, Chair Lamberti thanked the parties for their work on the study. He noted that while the Commission is interested in the information provided, it is a product designed to be provided to the Legislature and Governor.

Chair Lamberti moved to the hearing for HGI-Lakeside d/b/a Lakeside Hotel Casino (Lakeside), and called on Mr. Ohorilko. Mr. Ohorilko advised Commission staff and Lakeside have entered into a Stipulated Agreement. He stated the agreement relates to a violation of Iowa Code Section 99F.4(18), which requires the continuous recording of gambling activity. Mr. Ohorilko provided the following summary: A vehicle crash caused a brief power loss at the facility and the backup power supply did not function as required. The surveillance system was inoperable for a period of time and there were some sensitive areas in the casino where coverage was lost. Mr. Ohorilko advised there were a couple of similar incidents in 2013. The DCI issued Lakeside a citation in December 2013 due to equipment failure. Mr. Ohorilko stated Lakeside has agreed to the facts as set forth in the Stipulated Agreement and to an administrative penalty up to \$15,000. He advised the Commission would have to establish the dollar amount.

Bob Thursby, General Manager, stated the facility made several attempts to bring their system up-to-date following each of the incidents; however, they finally redesigned and re-equipped the entire system. At the time the system was put in, Lakeside could not take it offline to test it; the only way to test the system was to cut all of the power. Mr. Thursby indicated that during the final incident, when the power pole was hit in front of the casino, the power was off for less than a second. He stated the uninterrupted power system did not work, causing all of the computers related to the surveillance system to reboot, which took the extended length of time. Mr. Thursby advised Lakeside changed the entire system; they rewired it, re-designed it, and

replaced all of the cables in anticipation of some other changes that will be coming next year regarding the slot monitoring system. He advised they are 100% compliant at this time, and will be going forward.

Mr. Ohorilko asked the cost of the new system. Mr. Thursby advised the new UPS System and changes to surveillance and the design cost in excess of \$25 million.

Chair Lamberti noted the proposed Stipulated Agreement contains an agreement for an administrative penalty up to \$15,000; and requested a motion. Commissioner Kramer moved to approve the Stipulated Agreement and impose an administrative penalty of \$7,500.00. Commissioner Heinrich seconded the motion, which carried unanimously.

As there was no Public Comment, Chair Lamberti moved to Administrative Business, and called on Mr. Ohorilko. Mr. Ohorilko advised one of the issues the Commission needs to do at the June meeting each year is establish IRGC and DCI regulatory fees for the next fiscal year. He advised the fees have been calculated based on the respective budgets passed by the Legislature. Mr. Ohorilko advised the calculations have been forwarded to the licensees, and Commission staff has not received any concerns from them. He requested the Commission's approval of the fees.

Chair Lamberti noted the fees are subject to change based on what happens in Sioux City. Mr. Ohorilko indicated that was correct, as well as some modifications in January as a result of the greyhound legislation that was enacted.

Hearing no further comments or questions concerning the regulatory fees for Fiscal Year 2015, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the regulatory fees for Fiscal Year 2015. Commissioner Arnold seconded the motion, which carried unanimously.

Chair Lamberti moved to the creation of a Racing Initiative Task Force. Mr. Ohorilko advised that over the last two or three years, various racetracks, horsemen's groups, industry organizations and regulators have expressed an interest in enacting reform through the adoption of various uniform standards. He stated the reforms address many of the safety and integrity concerns raised by critics and supporters of the industry; specifically calling for uniform medication guidelines, a laboratory accreditation program, and adoption of uniform rules and penalties. He advised there was a report in a recent Blood Horse Magazine which indicated there were 26 racing commissions that have taken racing reforms under consideration in the past 12 months. Mr. Ohorilko stated Iowa has recently received some negative publicity in various industry publications in respect to not adopting some of the proposed reforms; however, it is not because the Commission has been complacent about understanding the concerns from the stakeholders. He believes there will not be consensus among the various groups on the reforms; however, other states continue to take action on some of the rules by policy. Mr. Ohorilko stated he would like to request the Commission's support to create a task force with representation from various horsemen's groups in order to truly study some of the initiatives over the next 4-5 months with the goal of the task force providing some recommendations to the Commission to try and determine if these are initiatives the Commission should pursue.

Jon Moss, Executive Director of the Iowa Horsemen's Benevolent and Protective Association, advised the organization is in favor of the task force, and believes it would be a good progressive move for the state. The task force would provide the mechanism to look at and review anything coming down from a regulatory standpoint.

Chair Lamberti thanked Mr. Moss for his comments. He indicated the Commission did not need to make a formal motion. Mr. Ohorilko concurred, but wanted to be sure the Commission was on board with the proposed approach. Chair Lamberti noted there are things that are changing, as well as negative publicity here and other locations; the Commission needs to be on top of issues and using the best practices they can. Chair Lamberti advised Mr. Ohorilko that from the Commission's standpoint he was authorized to move forward with the task force.

Chair Lamberti moved to the review of gaming legislation from the past legislative session. Mr. Ohorilko advised the Legislature passed three pieces of legislation that pertained to racing – two with horse racing and one with greyhounds. He called on Mr. Moss to provide a summary of the horse racing legislation.

Mr. Moss advised the phenylbutazone levels were changed from 5 micrograms per milliliter to 2 micrograms per milliliter for stakes races, which will allow PMR&C to continue to have stakes races; removed the requirement in legislation that the Standardbreds could not use funds to construct a racetrack; and removed the requirement that all stallions standing in the State of Iowa had to be owned by a 51% majority of Iowans. This was originally considered a good protectionist move, but found that owners were moving their studs to other states as they did not want to give up majority ownership. It is hopeful this change will help increase the quality of studs standing in Iowa. Mr. Moss advised another major stumbling block was the Advanced Deposit Wagering (ADW) rule, which contained a loophole that allowed virtually every ADW operator to continue to operate simply by not taking wagers on PMR&C races. He stated the Legislature looked at the issue very closely and decided to make the necessary changes to close the loophole; the change will go into effect July 1st. The ADW operators will need to be in compliance, or they are guilty of a Class D misdemeanor.

Mr. Moss advised the greyhound racing bill does impact the horse racing industry to some extent. He advised there is a disagreement between some individuals, but feels there is strong support to reopen the legislation next year.

Mr. Ohorilko advised the greyhound racing bill allows Mystique Casino and Horseshoe Casino/Bluffs Run to not offer greyhound racing for payments made to a cessation fund. Mystique can do this as of January 2015, and Horseshoe Casino/Bluffs Run in January 2016. Approximately half of the fund will be used to allow the Iowa Greyhound Association to apply for a racetrack license without casino gambling and be able to race at the Mystique facility; the other half will be distributed to participants in the industry to provide for a soft landing. The IRGC is charged with establishing the rules based on guidelines set forth in the Legislature. Mr. Ohorilko advised the Commission can utilize the services of a consultant to help with the process of distributing the funds, which will not commence until 2016. He stated nothing similar to this has occurred in any other jurisdiction to offer some assistance. Mr. Ohorilko stated he would

like to initiate an RFP process in order to review candidates before the process starts unless the Commission has any objections.

Chair Lamberti stated everyone is aware this legislation is new ground for Iowa, and possibly the country. He noted it would be a lengthy process before the Commission reaches the distribution process to determine the various interested parties, go through significant rulemaking, and there will be some issues if the Iowa Greyhound Association chooses to go forward with the operation of the track in Dubuque with separating the licenses, and creating a new license. Chair Lamberti gave the go ahead to start the RFP process to hire a consultant to help the Commission through the various processes.

Following a short break, Chair Lamberti moved to the Decision regarding the application for a gambling structure license in Greene County. Noting the Commission has gone through the licensing process twice over the last several months, Chair Lamberti advised many individuals have inquired as to how the Commission sees the future of gaming in Iowa, and whether they would make some kind of statement going forward. He advised there will be no comments with regard to the future today, but they will be doing so at the July Commission meeting.

Commissioner Heinrich stated the individuals involved with Grow Greene County and Jefferson were a viable group, had a lot of enthusiasm, had good planning and marketing, and made a good presentation during the site visit. He noted he received numerous letters from individuals in Greene County and the surrounding counties. Commissioner Heinrich stated that in order to do his due diligence, he had to review the data available from the studies and the letters. He indicated he spent a considerable amount of time reviewing all of the material. In doing so, he looked at Greene County, as well as the surrounding counties, where existing casinos are located, and the impact on the state. One of the questions is whether or not there is an underserved area in the state; and whether a significant new population will be served by the proposed facility, or just dilute attendance at existing casinos. Commissioner Heinrich noted there has not been a significant change in Iowa's population, and that many in the region are already use to traveling longer distances to gamble. His final analysis showed the majority of the customers would be coming from within the state due to the rural location; there would be some new jobs created; some operations will be impacted negatively, and gaming revenues have been declining but are stable at this time. Commissioner Heinrich noted the efforts of the Governor and Legislature to bring new businesses to Iowa to make it a more viable state. He also pointed out concerns expressed by various non-profit organizations regarding the potential decline in revenues should the license be granted. Noting the casinos operate on a small margin, Commissioner Heinrich indicated it could affect their ability to invest in their current facility. Commissioner Heinrich stated due to the negative impact, minimal growth to the State, declining casino revenues, and the site of the proposed facility, and no significant advantage to the State either way, he was going to vote to deny the license.

Commissioner Mertz commenced her comments by thanking everyone involved in the project. She noted the Commission has been faced with a lot of hard decisions recently. She stated the site visit was very enlightening; the community has a lot of things going for it. Commissioner Mertz stated she is aware of the difference between urban and rural areas. She stated Wild Rose

Entertainment is a good casino company, and the community would get entertainment, a venue to hold events, and a better hotel than originally proposed to the community since it will be connected to the casino. She noted that competition makes businesses work harder to attract customers, and PMR&C is in the process of improving their facility at the present time. Commissioner Mertz stated that in making her decision she looked at the proposed site, the amount of businesses already in the community, and the ability to host conferences, banquets, wedding receptions, etc. which will bring money into the community, county and region. She stated that no one in the State of Iowa has been more concerned about the horses at PMR&C; and believes once PMR&C completes their remodeling project they will see an increase in the number of patrons at the facility. Commissioner Mertz stated her belief that north central and northwest Iowa is missing something; everything in the state goes to where the population is – she wondered why rural Iowa can't have a little piece of the action. She stated the casino project in Jefferson is a good thing, and the right thing to do. Commissioner Mertz stated that she would be casting a yes vote.

Commissioner Kramer thanked everyone in Greene County and Jefferson for the warm welcome the Commission received during the site visit. She stated the pride and enthusiasm for the project was very evident in the manner in which the community was working together. Commissioner Kramer commented on all the positive things happening within the community and county, which has made the decision so much harder on all of them. During the public comment meeting, she got the impression the community needed a banquet room, meeting rooms, and a hotel and that gaming was not the first priority. The funds received by the new non-profit would have a positive impact on the community, county and region while having a negative impact on existing non-profits. Commissioner Kramer stated she received numerous letters, some making a point to state they would respect her decision, whatever it would be; she thanked them for their consideration. She stated the market studies were the deciding factor for her; both independent studies indicated there were no underserved markets in the State of Iowa; and the State would be better served by having current operators invest in their facilities. She indicated this could be demonstrated by looking at the gaming revenues not only in Iowa, but across the nation. Commissioner Kramer stated she believes now is not the right time for any more new casinos; and would not be supporting this application.

Commissioner Arnold commenced his comments by indicating it had been a pleasure to work with everyone involved with the application, noting both sides were very respectful in presenting their side to the Commission. He stated he spent many hours reading the letters and e-mails; the Commission has visited the site, received the DCI background reports, and spent a whole day receiving public comments. Commissioner Arnold pointed out this has been a difficult decision for him; the application has received great community support and offers amenities that are needed in the community and region and would bring \$40 million of investment into a rural community. He stated the impact on existing facilities not owned by Wild Rose is demonstrated by the studies, but appear to be in the minimal range - from 3-8%. Commissioner Arnold stated the application provides a significant positive impact to the region, thus outweighing any impact within the predicted limits. Commissioner Arnold stated he would be voting in support of granting the license.

Chair Lamberti thanked everyone that has participated in the licensing process; everyone put on their best on both sides of the issue. He indicated this is one of the most difficult decisions for him since joining the Commission. He stated the Commission tries to be open and fair in the manner in which they proceed; it is his hope that everyone feels they had an adequate opportunity to present their case. Chair Lamberti stated they all study the criteria set forth in the Code and Administrative Rules, but they are allowed to determine what weight to assign those criteria. He noted there are no magic guidelines to indicate when a license should be granted or denied. In addition to weighing the criteria, the Commissioners also takes into consideration the market, and historical action of previous Commissioners that helped establish Iowa's system. He stated the quality of the project, community support and adequate financing were never in doubt, which leaves the hard criteria – the overall impact to the State of Iowa; the impact on existing facilities; how that has been judged in the past; looking at the overall market; what is occurring in the market; and the Commission's desire to maintain a stable gaming environment in the state. Chair Lamberti stated that his decision could change daily as he reviewed the various criteria, but that it ultimately comes down to what you believe to be the right decision for the State of Iowa. He stated he does see an economic benefit from the casino in Greene County, but also sees an impact on existing facilities, that by historical parameters are within where a license has been granted in the past. Chair Lamberti noted he is a Polk County resident, which impacts him in a couple of different ways in terms of making his decision. He stated Polk County has lots of advantages, and with many more to come in the future due to population growth in the suburbs, many projects that are in the works, and has many advantages that other parts of the state do not. Chair Lamberti stated Polk County would be fine. He stated he has an interest in making sure the rural folks get part of this as well. Chair Lamberti reiterated how difficult of a decision it was, but feels confident the final outcome is the right decision but respects the other Commissioners' decision. He does not believe there is a right or wrong call on this application. Chair Lamberti stated that he will be voting to grant a license to Greene County.

Commissioner Arnold moved to approve the application of Grow Greene County Gaming to conduct gambling games and Wild Rose Jefferson, LLC to operate the gambling structure and all the agreements contained in the application conditioned upon the following:

Mr. Ohorilko read the following conditions into the record:

- A license period of June 12, 2014 through March 31, 2017 and payment of the first installment of the license fee within 30 days.
- A Class D criminal background investigation of Goldfinch Entertainment, L.L.L.P.
- The opening of the gaming floor to the public only after substantial completion of the entire project. Interpretation of this condition shall be in the sole determination of the Commission.
- All required state and local approvals for construction of the project in the proposed location pursuant to 491 IAC 5.4(18).

- Security and emergency response plan approval by the DCI and IRGC.
- A status report on the construction time table at the October Commission meeting and submission of written documentation pertaining to this 14-days prior to the October Commission meeting.
- Substantial completion of the entire project by September 30, 2015 in essentially the same form as represented to the Commission. Interpretation of this condition shall be in the sole determination of the Commission. If the project is not completed by March 31, 2016, a fine of \$20,493.15 per day will be instituted.

Commissioner Mertz seconded the motion, which carried on a 3-2 vote, Commissioners Heinrich and Kramer voting nay.

Hearing no further business to come before the Commission, Chair Lamberti requested a motion to adjourn. Commissioner Mertz so moved; Commissioner Kramer seconded the motion, which carried unanimously.

MINUTES TAKEN BY:

JULIE D. HERRICK